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In the Supreme Court of the United States

OCTOBER TERM, 1956.

No. 275

VANITY FAIR MILLS, INC.,
Petitioner,

v.

THE T. EATON CO. LIMITED,
Respondent.

PETITION FOR WRIT OF CERTIORARI
To the United States Court of Appeals
For the Second Circuit.

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* See separately printed appendix for full quotation of relevant sections.

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OCTOBER TERM, 1956.

No. _____

VANITY FAIR MILLS, INC.,

Petitioner,

v.

THE T. EATON CO. LIMITED,

Respondent.

PETITION FOR WRIT OF CERTIORARI
To the United States Court of Appeals
For the Second Circuit.

Petitioner prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Second Circuit, entered in the above-entitled case on June 1, 1956.

CITATIONS TO OPINIONS BELOW.

The opinion of the District Court (R. 612a-626a) is reported in 133 F. Supp. 522.

The opinion of the Court of Appeals for the Second Circuit (R. 668a) printed at page 1 *et seq.* of the separate Appendix A hereto, has not yet been officially reported. It has, however, appeared in 109 United States Patents Quarterly, page 438.

As the only issues in the case were matters of law fully dealt with by the Court of Appeals in its opinion, there was nothing upon which to premise any motion for rehearing, so petitioner permitted the 15-day period, provided by the Court of Appeals' Rules for making such a motion, to expire June 16, 1956.

JURISDICTION.

The judgment of the Court of Appeals for the Second Circuit was entered on June 1, 1956 (R. 693a); p. 26, Appendix A.

The jurisdiction of this Court is invoked under 15 U. S. C., Section 1122, and 28 U. S. C. Section 1254 (1).

QUESTIONS PRESENTED.[1]

1. To what extent can a United States District Court, having *in personam* jurisdiction over the Canadian Respondents herein, by virtue of their carrying on a regular and continuous course of business, using citizens of both countries in their long established and extensive New York office, under the Treaty[2] and the United States trade mark statutes,[3] enforce Petitioner's trade mark rights against such Canadian Respondents in a situation involving a continuous course of action by such Respondents, such course of action including acts initiated within the physical jurisdiction of the District Court, and consummated both in Canada and in the United States, in part by the use of the United States mails, and with adverse effect upon Petitioner's own export trade to Canada? *Steele v. Bulova,* 344 U. S. 280.

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[1] Counsel for Petitioner is well aware of the desirability of a very short Petition; but the 27 page opinion below has raised so many Constitutional, Treaty and Statutory questions that we deem it due the Court to **raise all these interlocking issues so that they can be argued on final hearing, if the Court deems it necessary.**

[2] We refer to the International Union for the Protection of Industrial Property (1883) **signed by the United States in 1887** as the "Treaty" to shorten this brief.

[3] The Lanham Trade Mark Act of 1946 (15 U. S. C. § 1051 *et seq.*) and the Trade Mark Act of 1905 (§ 27) (15 U. S. C. § 106).

2. Does the Lanham Act, § 44, based upon the Commerce Clause of our Constitution and the Treaty, and seeking to place United States citizens on an equal footing with foreign citizens, **have any extraterritorial application** to prevent interference with the export trade of American citizens, which interference was initiated in the United States and consummated in both the United States and Canada?

3. Do the Treaty, as a part of the United States law, and the Trade Mark Laws of the United States protect Petitioner when it was (1) the first to adopt its mark in the United States, (2) the first to register it in the United States, and (3) the first to make it known in Canada by advertising, thereby acquiring an export status into Canada guaranteed by the Treaty and our Trade Mark Laws against interference from a later Canadian trade mark registration, and recognized by Canada in the Trade Mark Act of 1952-53 § 16 as giving the same status internally in Canada as if a trade mark registration had been made in Canada as compared to the later Canadian registration of Respondents which is being used to prevent the export of Petitioner's trade marked merchandise guaranteed by the Treaty as part of the law of the United States? *Bacardi v. Domenech,* 311 U. S. 150.

4. Is the Court below correct when it says:

> "* * * If plaintiff has any rights under the International Convention (other than through § 44 of the Lanham Act, discussed below), they are derived from this Canadian Law, and not from the fact that the International Convention may be a self-executing Treaty which is a part of the law of this county."? (Opn. p. 1555.)

5. Can the jurisdiction of a United States Court be defeated in this action under the Treaty, the 1946 Lan-

ham Act, §§ 32, 44 and 45, and the 1905 Trade Mark Act, § 27, for trade mark infringement and interference in the United States and Canada with trade mark and trade name rights of Respondents, initiated in the United States, carried out in Canada and consummated in the United States, **because the Canadian Respondents elected to register a Canadian trade mark, later abandoned, on the same name, later in date than the dates of adoption and registration in the United States and later than "making known" in Canada by Petitioner,** and by this later Canadian registration defeat the right to sue in the United States when *in personam* jurisdiction is had here?

6. Does jurisdiction in this case under the 1905 Trade Mark Act, the Lanham Act and the Treaty depend upon the place of initiating the fraud, trade mark infringement and unfair competition, or is it correct to hold, as the Court did below, that jurisdiction only exists where the Acts are consummated, i.e., in Canada?

7. Should the doctrine of *forum non conveniens* be applied for the **convenience** of a foreign national to try his case in Canada under Canadian Law instead of in the United States under United States Law in a district in which the Respondents have found it convenient to have an office in the United States manned by United States and Canadian citizens for fifty years so that the District Court had *in personam* jurisdiction; that is, must the right of a United States citizen to sue under the United States Law in its home country in the district where Respondents are found, yield to the **convenience** of the Respondents so that Petitioner must, in effect, abandon its rights under United States Law and be forced to rely upon Canadian Law? *Gulf Oil v. Gilbert*, 330 U. S. 501; *Massie v. Watts*, 6 Cranch 148; *Phelps v. McDonald*, 99 U. S. 298, 308.

8. Does a United States citizen have a right to sue, in a United States Court, a foreign national doing business within the district to such extent as to afford a basis for the Court's acquiring *in personam* jurisdiction over such foreign national, on a cause of action arising out of such business done in the Court's district, so that the United States citizen may not be defeated in the United States District Court by a plea of *forum non conveniens*, and forced to sue in the courts of the country of the foreign national? (Cf. *International Shoe v. Washington*, 326 U. S. 310).

9. Should the United States District Court have entertained jurisdiction under the facts of this case to decide the issue as between the parties, irrespective of the source of the law applicable to such facts?

10. Have Respondents made such showing of inconvenience, over Petitioner's showing of convenience in maintaining the present suit in the Southern District of New York, as to meet the requirement of this Court expressed in *Gulf Oil Corp. v. Gilbert*, 330 U. S. 501, 508, and to justify the application of the doctrine of *forum non conveniens* on the facts of the present case?

TREATY AND STATUTES INVOLVED.

This case arose under the International Convention for the Protection of Industrial Property (Paris Union 1883) 53 Stat. 1748, as revised 1934, T. S. No. 94, Articles 2; 4 A (1) (2); 4 B; 6; 6 *bis.*; 7; 8; 9; 10; 10 *bis.* and 10 *ter.* (1); and the Lanham Act, Sections 32, 33, 34, 35, 36, 37, 39, 40, 42, 43, 44 and 45; and the Trade Mark Act of 1905, Section 27; and Sections 1331, 1332 and 1338 of the Judicial Code (Title 28, U. S. C.).[1]

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[1] These Treaty and Statutory provisions are set forth in Appendix B of the separately printed Appendix to this petition.

STATEMENT.

Respondents moved to dismiss an amended complaint filed March 8, 1955 (R. 104a-157a) in the District Court under Rule 12 (b) F. R. C. P. on four grounds: (1) Lack of jurisdiction over the subject matter of the controversy; (2) Lack of jurisdiction over the person of The T. Eaton Co. Ltd.; (3) Lack of jurisdiction over the person of John David Eaton; and (4) The Court was not a convenient forum. (R. 166-7a; 286a; 287a; 573a). Items (1) and (4) were sustained; Item (3) was deferred; Item (2), denied.

The issues arose under the following averred facts, which constitute **one continuous plan** of Respondents in the United States and Canada and back to the United States to commit acts of trade mark infringement, unfair competition and trade name appropriation:

Petitioner adopted the "Vanity Fair" trade mark on feminine underwear in the United States in 1914 (R. 106a) and registered it in the United States starting in 1917 (R. 108a-111a, 140a-145a). It adopted "Vanity Fair" as its trade name in 1919 (R. 107a) and "made known" the trade mark and trade name in advertising in Canada in 1917 and continuously since then (R. 106a).

Respondents have a buying office fifty years old in New York City, manned by thirty-one United States citizens, one of whom heads the office under the direction of the Canadian home office (R. 11a-19a). Respondent's [1] Canadian executives and buyers visit this office continuously in large number and direct its operations. These Canadan buyers are constantly in the office buying American trade-marked merchandise and shipping it to Canada, doing millions of dollars of business annually (R. 11a-

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[1] Where the term "Respondent" (singular) is used herein, petitioner refers to the corporate respondent, The T. Eaton Co., Limited.

30a). Respondent's President, John David Eaton, took the lease in New York City in his own name and permitted his corporation to occupy the space (R. 113a, 11a, 12a, 100a-103a). **In this office Respondents started buying Petitioner's feminine underwear under the trade mark "Vanity Fair" and the trade name "Vanity Fair," which buying continued for a period of six years, and exported it to Canada (R. 112a-114a, 37a-93a, 542a-543a).**

Respondent imported into Canada the trade-marked underwear of Petitioner for resale through its chain of stores and in its direct mail operations (R. 112a-114a). It advertised in the newspapers of Canada that the Petitioner's feminine underwear was the genuine underwear of Petitioner's manufacture under Petitioner's trade mark "Vanity Fair" (R. 114a, 146a-151a). By 1953 Respondent had become known in Canada as the place to buy Petitioner's genuine underwear (R. 114a).

Near the end of this period of purchase Respondent began substituting its own cheaper underwear under the trade mark "Vanity Fair," advertising in the Fall of 1953 such underwear as the "new" trade mark "Vanity Fair" goods of Respondent (R. 115a, 152a-157a). **At no time during this period of purchasing from Petitioner in New York City and reshipping to and reselling in Canada, did Respondent claim a trade mark registration on "Vanity Fair"** (R. 118a). However, in 1954 after Respondent had started selling its own "Vanity Fair" underwear, and Petitioner had protested the same, when Petitioner shipped its "Vanity Fair" underwear to another Canadian customer, The Robert Simpson Company Limited, Respondent charged infringement of an abandoned trade mark on "Vanity Fair" in Canada (R. 188a). This trade mark was not registered in Canada by Respondent on **feminine underwear** until December, 1933. This was accomplished

by extending a 1915 trade mark registration **on outerwear** in 1933 (R. 121a, 183a-185a). Petitioner, however, had been "making known" this trade mark for feminine underwear by advertising in Canada beginning in 1917, sixteen years before Respondent **changed its outerwear registration to add feminine underwear to its outerwear registration on "Vanity Fair"** (R. 106a). Respondent's trade mark "Vanity Fair" was abandoned over a long period (R. 121a), as to the length of which there is a conflict between the parties, but the **Court below observed that it was abandoned from 1945 to 1953, at which latter time the substitution and infringement by Respondents began** (Op. p. 1549).

Petitioner, therefore, adopted its trade mark in the United States in 1914, registered it in 1917 and "made it known" in Canada in 1917 and continuously thereafter, in compliance with the Treaty. **These three steps were before any comparable steps were taken by Respondent so that under the terms of the Treaty, Article 6, Petitioner had a right to export into Canada without interference.** Respondents raised no issue on this matter when they were importing until Petitioner exported to Respondent's competitor. On this factual situation, as pleaded, are premised the questions presented. *In personam* jurisdiction was secured by service upon both the corporation, through its New York office, and, under the New York Statutes, upon John David Eaton, its President, in whose name the lease was taken for the space occupied by the corporate New York office. There is no material dispute as to facts. The facts as pleaded will be taken as true. *U. S. vs. New Wrinkle,* 342 U. S. 371, 376.

REASONS FOR THE WRIT.

1. **Conflicts of Decisions.** The decision below conflicts with principles laid down by authorities decided by this Court on three basic points:

(a) **Jurisdiction over the Respondents and the subject matter of United States trade mark infringement, unfair competition and trade name appropriation** in both the United States and Canada, under the Commerce Clause of the Constitution, the Treaty, the Trade Mark Act of 1946 §§ 32, 44 and 45 and the Trade Mark Act of 1905 § 27.

(b) **Determination of the scope of extra-territorial protection** of the intercountry commerce between the United States and Canada under the Commerce Clause of the Constitution, the United States trade mark registrations under the 1905 Act § 27, the Lanham Act §§ 32, 44 and 45 and the Treaty, by which protection is provided for trade mark exports **when** the exporter is the first to adopt, the first to register in his home country and the first to "make known" in Canada, giving prior status over Respondents' later trade mark registration in Canada; and the enforcement of these laws to restrain interference with our trade-marked exports and to dispose of unfair competition and trade mark and trade name appropriation.

(c) The extension of the doctrine of *forum non-conveniens* into the international field, by expanding that doctrine to make the **convenience of a foreigner,** who had found it convenient for fifty years to do business in the jurisdiction of the Court, **superior to the right of a United States citizen to have his case tried under United States Law in the United States Court** within whose physical jurisdiction, the acts complained of were initiated by using American and Canadian citizens there, and which acts of interference were consummated partly in Canada, under a

later Canadian trade mark registration, and partly in the United States by shipping infringing trade-marked goods of the Respondents into the United States.[1] All these are averred as a continuous series of acts of infringement and unfair competition.

In each instance the decision below is in conflict with this Court's decisions indicated in the footnote below;[2] in conflict with the Court of Appeals' own decisions;[3] and in conflict with decisions in other Circuits.[4]

2. **Novel Questions Are Presented.** The Court below stated that novel questions are presented involving the interpretation of the International Convention Treaty, the Lanham Act and the Commerce Clause of the Constitution.[5]

3. **Necessity for Treating Events as a Unified Plan and Course of Action. The unity and continuity of the whole course of conduct** in the United States, Canada and back into the United States is the governing factor. We so plead it. For that reason, we cannot try this case on the partial basis set by the Courts below, **for that issue of**

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[1] Respondents say these later acts were few, but how many we do not know. **Every time we placed an order from the United States, it was filled by Respondents** in consummation of its scheme to appropriate "Vanity Fair" in Canada and the United States, as well as to stop exports to Canada (R. 486a-488a, 515a-533a.)

[2] See *infra* pages 11-21, 26-28.

[3] See *infra* pages 11, 22.

[4] See *infra* page 22.

[5] "This case presents **interesting and novel questions** concerning the **extraterritorial** application of the Lanham Act, 15 U. S. C. § 1051 *et seq.* (1952), and the International Convention for the Protection of Industrial Property (Paris Union), 53 Stat. 1748 (1883, as revised 1934) T. S. 841." (Opn. P. 1546.) (Emphasis ours.) (Court of Appeals error—this should be 1946, not 1952. It was the Canadian Act that was enacted in 1952.)

export by Respondents into the United States is but a fragment of the whole illegal scheme. You do not determine such matters "by atomizing the enterprise into minute parts or events." *U. S. vs. Scophony Corp., et al.*, 333 U. S. 795, 817 (1948).

4. **Power to Entertain Jurisdiction and to Require Respondents to Perform Acts Outside Court's Jurisdiction.** Mr. Chief Justice Marshall found such power in the Federal Court in 1810 saying:

> "The jurisdiction of a court of chancery is sustainable wherever the person be found, although lands not within the jurisdiction of that Court may be affected by the decree." (*Massie vs. Watts*, 6 Cranch 148).

The fact that a decree for the relief sought by Petitioner may affect Respondents' business activities complained of in Canada, outside the lower Court's physical jurisdiction, is not ground to dismiss for lack of jurisdiction. This Court has, in effect, so decided in *Travelers Health Assn. et al. v. Virginia et al.*, 339 U. S. 643, 650, so that the decision below is in conflict with the authority of the latter case, as well as that of *Steele vs. Bulova*, 344 U. S. 280.

The Court below ignored its own decision in *United States vs. Aluminum Co. of America*, 148 F. 2d 416, 443-444 (C. C. A. 2, 1945) in which the Court below said:

> "* * * any state may impose liabilities, even upon persons not within its allegiance, for conduct outside its borders that has consequences within its borders which the state will ordinarily recognize * * *."

The Court's decision below is contra this Court's decisions in *International Shoe Co. vs. Washington*, 326 U. S. 310, 317, 318, holding that:

> " 'Presence' in the state in this sense has never been doubted when the activities of the corporation there have not only been continuous and systematic, but also give rise to the liabilities sued on, even though no consent to be sued or authorization to an agent to accept service of process has been given." (p. 317.)

Here Respondents have had a large permanent office in New York City for fifty years, doing millions of dollars worth of business each year (R. 17a). To say, as do Respondents, that they are not in the jurisdiction and cannot be held to account in the Southern District of New York for their acts both in the latter district and the consequences of their acts in Canada, which gave rise to this litigation, is to do injustice to common sense, as well as to argue contrary to the principles laid down in many decisions of this Court. *Polizzi v. Cowles Magazines,* 345 U. S. 663.

5. **Consequences of Strict Territorial Application of United States Laws.** The principles of the decision below would deny the right of the Government of the United States and individual citizens the benefit of the rule laid down by this Court that there is jurisdiction to deal with non-residents under such circumstances. *U. S. v. Scophony,* 333 U. S. 795 (1948); *Steele v. Bulova,* 344 U. S. 280 (1952); *United States v. Sisal Sales Corp.*, 274 U. S. 268 (1927); *Thomson v. Cayser,* 243 U. S. 66 (1917); *U. S. v. Pac. & Arctic Ry. & Nav. Co.*, 228 U. S. 87 (1913).[1]

If the instant decision stands, it will materially impair the freedom of a vital portion of our international trade.

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[1] **The decision of the District Court in the present case has been discussed in this very connection in the recent note in the Harvard Law Review entitled** "*Extraterritorial Application of the Anti-Trust Laws,* 69 Harv. L. Rev. pages 1452, 1456, n. 36 (June, 1956).

The United States, in the enforcement of the Antitrust Laws involving international trade under the Sherman Act, the Clayton Act and § 73 of the Wilson Tariff Act will be handicapped gravely in controlling international cartels and in dealing with international patent and trade mark cross-license agreements, where *in personam* jurisdiction can be acquired. (*U. S. vs. Scophony,* 333 U. S. 795 (1948).) In all such cases this Court approved the assumption of jurisdiction where the District Court's orders affected foreign nationals, and regulated their international business in the United States and foreign countries wherever these courses of conduct were contrary to the laws of the United States. In each case, foreign laws and rights differed from ours, but, until the instant case, no such ground has been approved for denying protection to United States plaintiffs where the foreign defendants were actively engaged in business in the United States to give appropriate *in personam* jurisdiction. The enforcement of such laws as § 73, Wilson Tariff Act, Webb Pomerene Act, Patent Act of 1952, Customs Laws and the Trade Mark Laws of 1905 and 1946 will be materially handicapped.

6. **The Treaty as a Source of Law.** The Treaty is United States Law. *Bacardi v. Domenech,* 311 U. S. 150. As such, Petitioner may rely upon it to stop unfair competition, conspiracy to restrain international trade and trade mark infringement of "appellees anywhere outside the United States." *Steele v. Bulova,* 344 U. S. 280 (1952).

7. **Liability of Foreign Nationals Present in the United States to Abide by our Laws and Applicability of Steele v. Bulova to such Nationals.** The Court below decided that this Court's decision in *Steele vs. Bulova,* 344 U. S. 280 **does not apply to the present case because the Respondents are aliens;** that **there is no jurisdiction over aliens** in

this country in respect of their acts consummated outside of the United States. It is thus held that such acts can only be reviewed in Canada under Canadian Law, even though they were part of a complete scheme and course of action initiated here, consummated partly in Canada and partly in the United States. Foreigners who come into our jurisdiction to do business subject themselves to our laws. *U. S. vs. Scophony,* 333 U. S. 795 (1948); *Cunard Steam Ship Co. v. Mellon,* 262 U. S. 100, 124 (1923); *U. S. v. Diekelman,* 92 U. S. 520, 525 (1875). This rule that aliens like Respondents must conform to our laws was stated by this Court in *Carlisle vs. U. S.,* 16 Wall. 147 (1872):

> "* * * The alien, whilst domiciled in the country, owes a local and temporary allegiance, which continues during the period of his residence.
>
> "This obligation of temporary allegiance by an alien resident in a friendly country is everywhere recognized by publicists and statesmen." (p. 154).

See also *Radich v. Hutchins,* 95 U. S. 210 (1877); and Mr. Chief Justice Fuller held in *Barrington v. Missouri,* 205 U. S. 483 (1907):

> "The question of citizenship is immaterial as affecting the jurisdiction of this Court under § 709, Rev. Stat. French v. Hopkins, 124 U. S. 524. Nor are we aware, as Chief Justice Waite said in Spies v. Illinois, 123 U. S. 131, 182, of any treaty giving to subjects of Great Britain any different measure of justice than secured to citizens of this country. And the general rule of law is that aliens are subject to the law of the territory where the crime is committed * * *."

8. **American Citizens Were Respondents' Agents in the United States.** The fact that Respondents themselves are not citizens should make no difference in the application of *Steele v. Bulova,* 344 U. S. 280 (1952), for they used American citizens, in cooperation with Canadian citi-

zens, as the instrumentalities for consummation of the offenses charged within the physical jurisdiction of the District Court.

9. **Failure of Court of Appeals to Give Full Effect to Lanham Act.**

(a) **Refusal of Court to Follow Express Language of Act in Determining its Effect.** The Court of Appeals admitted that:

> "* * * it may well be that Congress could constitutionally provide infringement remedies so long as the defendant's use of the mark has a *substantial* effect on the foreign or interstate commerce of the United States." (Op. pp. 1556-57),

but it refused to find that Congress intended to assert its full power in respect of infringements where the acts complained of were committed by a foreign national in his home country under a presumably valid trade mark registration in that country (Op. p. 1557).

This refusal defies the express language of the Lanham Act which defines commerce as "all commerce which may lawfully be regulated by Congress" (15 U. S. C. § 1127). With this definition, the only inquiry is **whether Congress has the power lawfully to regulate the Respondents' commerce here complained of.**

(b) **Broad Scope of Congressional Power Under Commerce Clause of the Constitution.** Certainly Congress may deal with the initial acts of Respondents in buying in this country and exporting abroad. *U. S. v. Curtiss-Wright Corp.*, 299 U. S. 304 (1936). Congress may also regulate the use of the mails through which the corporate Respondent's advertisements of Petitioner's products, and later Respondent's products came into this country in substantial numbers by mail; further, through these same mails

arrived specific goods bearing the infringing marks (R. 486a-488a, 515a-533a). *Ex parte Jackson,* 96 U. S. 727 (1877); *Rosen vs. U. S.,* 245 U. S. 467 (1917); *Electric Bond Co. v. S. E. C.,* 303 U. S. 419, 442 (1938). Since these alien Respondents have seen fit to come into this country and establish what is, in effect, a permanent commercial domicile here, they owe a temporary allegiance to the United States, thereby giving Congress power to legislate concerning them. *Carlisle v. U. S.,* 16 Wall. 147 (1872); *Radich v. Hutchins,* 95 U. S. 210 (1877). Moreover, Congress may prescribe terms and conditions under which Respondents, as aliens, may enter and remain in the United States. *Lee Moon Sing v. U. S.,* 158 U. S. 538, 547 (1895); *Lapina v. Williams,* 232 U. S. 78, 88 (1914).

Congress' powers may reach acts of a conspiracy which Respondents consummate in foreign countries, ostensibly under the protection of foreign law. *United States v. Sisal Sales Corp.,* 274 U. S. 268 (1927). Congress has plenary power over interstate and foreign commerce. *La. Pub. Serv. Comm'n vs. Texas & N. O. R. Co.,* 284 U. S. 125, 130 (1931); *Gibbons vs. Odgen,* 9 Wheat. 1, 7, 9 (1824); *U. S. vs. Darby,* 312 U. S. 100, 113 (1941). Particularly recognized is Congress' power over foreign commerce whereby it can prohibit merchandise carried in such commerce from entering the United States. **It has thus been stated that no one can be said to have a vested right to carry on foreign commerce with the United States.** *The Abby Dodge,* 223 U. S. 166 (1912); *Buttfield vs. Stranahan,* 192 U. S. 470 (1904). **In the latter case it is suggested that Congress has even greater authority over foreign commerce than it has over interstate commerce.** (See pages 492-3.)

The present-day view of the scope of the commerce power of Congress is expressed in the opinion of Mr. Jus-

tice Murphy in the case of *North American Co. v. S. E. C.*, 327 U. S. 686 (1946) where the Court stated at pages 705-6:

> "**This broad commerce clause does not operate so as to render the nation powerless to defend itself against economic forces that Congress decrees inimical or destructive of the national economy. Rather it is an affirmative power commensurate with the national needs.** * * * And in using this great power, Congress is not bound by technical legal conceptions. Commerce itself is an intensely practical matter. Swift & Co. v. United States, 196 U. S. 375, 398. To deal with it effectively, Congress must be able to act in terms of economic and financial realties. The commerce clause gives it authority so to act.
>
> "**We need not attempt here to draw the outer limits of this plenary power.** It is sufficient to reiterate the well-settled principle that Congress may impose relevant conditions and requirements on those who use the channels of interstate commerce in order that those channels will not become the means of promoting or spreading evil, whether of a physical, moral or economic nature. Brooks v. United States, 267 U. S. 432, 436-437. * * * Once it is established that the evil concerns or affects commerce in more states than one, Congress may act. '**The framers of the Constitution never intended that the legislative power of the nation should find itself incapable of disposing of a subject matter specifically committed to its charge.**' In re Rahrer, 140 U. S. 545, 562." (pp. 705-706.) (Emphasis ours).

Cf. also *Wickard v. Filburn*, 317 U. S. 111, 124 (1942); *U. S. v. Wrightwood Dairy*, 315 U. S. 110, 119 (1942).

Congress is recognized to have power to protect interstate commerce by removing obstructions to the free

flow of commerce. *Communications Assn. v. Douds*, 339 U. S. 382 (1950); *N. L. R. B. v. Jones & Laughlin Steel Corp.*, 301 U. S. 1 (1937). Congress' power similarly to protect foreign commerce should not be any less. *United States v. Sisal Sales Corp.*, 274 U. S. 268 (1927); *Buttfield v. Stranahan*, 192 U. S. 470, 492-493 (1904).

Congress can thus constitutionally reach the course of commerce which here exists **so that by making the scope of the Lanham Act depend upon the extent of the power to regulate commerce (§ 45), the Act becomes applicable to the present factual situation.** Not so to hold would mean the Lanham Act has failed in its purpose to extend the jurisdiction of our Courts in trade mark and unfair competition cases to the farthest reaches of Congressional power. To the contrary, it would mean a retraction of such jurisdiction, for, as this Court pointed out in *Steele v. Bulova*, 344 U. S. 280, 286-7:

> "Under similar factual circumstances, courts of the United States have awarded relief to registered trade-mark owners, **even prior to the advent of the broadened commerce provisions of the Lanham Act.** * * * Even when most zealously read, that Act's sweeping reach into 'all commerce which may lawfully be regulated by Congress' does not constrict prior law or deprive courts of jurisdiction previously exercised." (pp. 286-7). (Emphasis supplied.)

10. **The Place Where the Wrong Was Committed Was Not, As The Lower Courts Assumed, Principally in Canada.** The decision that there was no jurisdiction in New York City because, while the wrong was initiated in New York City it was consummated in Canada is in error. Additionally, the Court overlooked the fact that some Canadian consummations resulted in shipments of the same goods with the infringing mark into the United

States, a final consummation in this country (R. 486a-489a, 508a-515a).

However, the initiation and force of the wrong was in New York. Without the New York operations Respondents' scheme would not have succeeded and what happened in Canada was but an incident to the New York scheme. See Rule 3, Restatement of the Law, Conflict of Laws, American Law Institute, Section 377. The Court below erred in dismissing the case on the assumption that the wrong, while started in New York, was consummated only in Canada. This Court has, in effect, held to the contrary in *Steele v. Bulova*, 344 U. S. 280.

11. **The Court of Appeals Did Not Accord a Liberal Construction to the Treaty.** In *Asakura v. City of Seattle*, 265 U. S. 332, 342 and *Bacardi v. Domenech*, 311 U. S. 150, 161-3, this Court held that treaties should receive a liberal construction. The Court below took the opposite view. **It construed the Treaty unfavorably and narrowly from the standpoint of United States citizens, by letting the Respondents enjoy the Treaty rights in the United States, while holding that they might escape their liabilities and obligations to comply with the Treaty and the Trade Mark Laws of the United States.** The Court of Appeals ignored the fact that the later shipments by Respondents into New York State of Respondents' cheap underwear under the trade mark "Vanity Fair" were clear evidence of their readiness to consummate their evil plan, started in New York.

12. **The Decision of the Court of Appeals is in Conflict with This Court's Opinion in Steele v. Bulova, 344 U. S. 280.** The conflict with this Court's decision in *Steele v. Bulova*, 344 U. S. 280 (1952) is clear. The facts are closely parallel in substantially all essentials. (See

comparative statements of the facts in *Steele v. Bulova* with those in this case, in Appendix C.) The only grounds given by the Courts below not to follow the *Bulova* case were:

First (a) that United States citizens were not involved (by the District Court-R. 620a) (contra R. 12a) and (b) that Canadian citizens were not involved in the United States (by the Court of Appeals-Op. 1559) (contra R. 610a, 14a-15a).

Both statements are erroneous. An American citizen, Bores, heads Respondents' New York office, assisted by thirty other American citizens, and a large number of Canadian citizens constantly visit this office and direct its operation (R. 12a, 14a-15a). The President, John David Eaton, a Canadian, took the lease in his own name to house the Canadian New York business, and was duly served under the New York Law (R. 100a, 113a, 160a-166a).

Second, there was a later registration in the foreign country. In the *Bulova* case, the Mexican registration was cancelled by the time the case reached this Court so that it was said by this Court of such a defense:

> "There is thus no conflict which might afford petitioner a **pretext** that such relief would impugn foreign law." 344 U. S. 280, 289. (Emphasis ours).

An illegal transaction does not commend itself to the favor of a Court on such a thin excuse.

13. **Petitioner's Rights Under the Treaty Have Been Ignored.** Respondent's Canadian trade mark **of later date** than Petitioner's trade mark is immaterial. Whether it is a bad or good trade mark on the Canadian trade mark register is a domestic issue for the Exchequer Court of Canada to settle. But as between the parties personally

before the Court, Petitioner has rights under the Treaty to protect freedom of American export under its trade marks, because Petitioner is the first with prior rights in Canada protected by the Treaty and is guaranteed priority from interference from any later domestic Canadian trade mark. **The Treaty has been enacted into its own domestic law by Canada** in Elizabeth II, Chap. 49 (1952-53), specifically in § 16, providing, in effect, that **the first to adopt in the home country, the first to register in the home country and the first to "make known" in Canada is deemed the owner of the trade mark.** There is thus no conflict between the laws of the United States and Canada.

14. **Other Respects in Which Court of Appeals Decision Conflicts with Authorities in This Court**. This Court's decisions give jurisdiction to United States Courts over **foreign nationals** who are **doing business in the United States**, over whom there is *in personam* jurisdiction and who have **conspired** with United States citizens to injure other United States citizens by violating United States laws. *U. S. v. Scophony Corp.*, 333 U. S. 795, 808 (1949); *Cunard Steam Ship Co. v. Mellon*, 262 U. S., 100 124 (1923); *U. S. v. Diekelman*, 92 U. S. 520, 525 (1875); *Steele v. Bulova*, 344 U. S. 280 (1952); *Carlisle v. U. S.*, 16 Wall. 147 (1872); *Radich v. Hutchins*, 95 U. S. 210 (1877). The fact that Respondents are not citizens, but have used this country as if they were citizens, with a citizen's benefits, and have further employed United States citizens as agents, precludes them from claiming immunity from the doctrine of *Steele v. Bulova*, *supra*, under the above authorities.

15. **The Decision Below is in Conflict with Earlier Cases Decided by the Several Courts of Appeals.** The

instant decision is in direct conflict with *Vacuum Oil Co. v. Eagle Oil Co.*, 154 F. 867, aff'd 162 F. 671 (CCA 3, 1908) cited with approval in *Steele v. Bulova*, 344 U. S. 280, 286-7, and is inconsistent in principle with *L'Aiglon Apparel v. Lana Lobell, Inc.*, 214 F. 2d 649, 654 (CA 3, 1954), and previous Second Circuit decisions, *American Auto v. Spiegel*, 205 F. 2d 771 (CA 2, 1953) and *Luft v. Zande Cosmetic Co.*, 142 F. 2d 536 (CCA 2, 1944).

The effect of the recent cases was to hold that Section 44 of the Lanham Act (15 U. S. C. § 1127) was intended by the Congress **to afford equally to United States citizens all possible remedies against unfair competition by foreigners who are nationals of Convention countries (of which Canada is one) to the fullest extent of the power of Congress to regulate commerce involving such foreigners.**

16. **The Court of Appeals Refused to Give Effect to the Provisions of the Treaty Respecting Unfair Competition.** Where as here, Respondents have committed acts within the territorial jurisdiction of a United States District Court, which acts enabled them to perpetuate abroad the charged infringement, fraud and unfair competition, which affects commerce between this country and foreign countries, there is ample authority for the United States Court to grant relief against such wrongs.

The Treaty specifically condemns

> "Any act of competition contrary to honest practice in industrial or commercial matters." [1]

as unfair competition, and provides that

> "The countries of the Union are bound to assure to nationals of countries of the Union an effective protection against unfair competition." [2]

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[1] Article 10 *bis.* (2); see page 36, Appendix B.

[2] Article 10 *bis.* (1); see page 36, Appendix B.

The Convention has no meaning as a plan to protect trade marks and trade name goods for export unless the Treaty determines who was first as between an importer's trade mark and a resident's trade mark.

17. **The Decision Disregards the Principle of Equal Treatment Under Treaty and Lanham Act.** The decision below ignores the specific terms of the Treaty, as well as §§ 44 and 45 of the Lanham Act and §§ 7 and 14 of the Canadian Trade Mark Act of 1952-53. The basic issue is freedom of export of trade marked goods protected according to the Treaty[1] and the laws of both countries. The trade mark "Vanity Fair" was first adopted in the United States for feminine underwear, first registered in the United States and first "made known" in Canada by Petitioner (R. 106a-111a) who thereby established itself as the prior owner of the trade mark "Vanity Fair" as between the United States and Canada and established its priority in Canada on the export of feminine underwear free from any charges of a latter registered trade mark in Canada and from unfair competition and trade name appropriation based on that later registration.

The Treaty provides for freedom of export if the exporter establishes under the Treaty rules his first rights which will have all the effects as if he had registered first in Canada.

Canada has executed the Treaty in the 1952-53 Trade Mark Act of Canada §§ 3, 4 (1) (3), 5 (a) (b), 10, 16 (1) (a) (c), and hence approved this principle stated in the preceding paragraphs.

18. **The Later Canadian Registration Was Not An Issue.** As Respondents' Canadian trade mark registration

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[1] Articles 4A (1); 4A (2); 6A and B (1) 3°; 6 *bis.*; 9 (1); 10 (1); 10 *bis.* (1) (2) (3), 1° and 10 *ter.*

on **feminine underwear** was not filed until 1933, sixteen years after Petitioner "made known" its mark in Canada starting in 1917, and nineteen years after Petitioner adopted and registered the trade mark in the United States, it was too late and is immaterial here. **The Court below erred when it said:**

> "The crucial issue in this case is the validity of the defendants' Canadian trade mark registration under Canadian Trade Mark Law." (Op. p. 1565).

No such issue was raised in the pleadings. As this attempted registration was **later,** it has no bearing on this case. Respondents registered their mark on **outerwear** in 1915—a year after Petitioner adopted in the United States and made no move to include the goods here, **feminine underwear,** until 1933, which was later abandoned, as the Court below found (Op. p. 1549).

19. **The Treaty Should be Given Extraterritorial Effect When the United States Court Has In Personam Jurisdiction Over the National of a Treaty Signatory Country.** The Courts below have construed the Treaty (and the Commerce Clause of the Constitution) **narrowly so as to eliminate the extraterritorial control of United States Courts,** where action pursuant to a conspiracy of United States and Canadian citizens, in violation of the Treaty (and our other laws) takes place partly in the United States and partly outside of the United States, but the effects of which are felt within the United States. Under Mr. Chief Justice Marshall's equitable doctrine,[1] long followed by this Court, that even though a decree rendered by a Court may affect lands not within the jurisdiction of the Court, such decree may be validly entered where the Court has *in personam* jurisdiction over

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[1] *Massie v. Watts*, 6 Cranch 148 (1810), *supra* p. 11.

the defendant. Here the Court has *in personam* jurisdiction over Respondents, the chief conspirators, so that it can act to prevent a violation of our laws and under our Treaty rights, even though the Court's decree, in protecting our commerce, may affect foreign rights, foreign commerce and foreign nationals. **Anything less (such as held by the Court below), would be a surrender of our sovereignty and in disregard of the Commerce Clause, implemented by the Lanham Act, the 1905 Trade Mark Act, and the Treaty. As pointed out** *supra* pp. 13-14, an alien doing business here, does not have immunity above our own citizens; but that is what the Courts below have held, in saying that we must go to Canada under Canadian Law to get relief.

20. **Steele v. Bulova is Determinative of the Issue Here.** The trade mark issue here is the same as *Steele v. Bulova*, 344 U. S. 280, 281 (1952)[1] where this Court said:

> "The issue is whether the United States District Court has jurisdiction to award relief to American corporations against acts of trade mark infringement and unfair competition consummated in a foreign country by a citizen and resident of the United States."

This Court referred to transactions taking place in the United States and Mexico whose

> "* * * operations and their effects were not confined within the territorial limits of a foreign national * * * Under similar factual circumstances the Courts of the United States have awarded relief to registered

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[1] This Court, reviewing the provisions of the Lanham Act, quoted the definition of "Commerce" in the Act, as "All commerce which may lawfully be regulated by Congress," saying * * * we agree * * * that petitioner's activities, when viewed as a whole, fall within the jurisdictional scope of the Lanham Act." *Steele v. Bulova*, 344 U. S. 280.

trade mark owners, even prior to the advent of the broadened commerce provisions of the Lanham Act."[1]

The immateriality of the United States citizenship of Respondents, stressed in the Courts below, readily appears **when we remember that the fifty year old office of Respondents is headed by an American citizen, W. C. Bores, assisted by thirty American citizens (R. 12a) and by both resident and visiting Canadians (R. 14-15) who operate under Howard L. Knapp, Respondents' Merchandise Manager and a former U. S. citizen (R. 170a, 610a), in quarters in the personal name of John David Eaton, the President of Respondent corporation.**

21. **Declining Jurisdiction on Forum Non Conveniens Where Respondents' Activities in the District Have Been Sufficient to Support In Personam Jurisdiction Conflicts with Principles Established by This Court.** This case involves an extraordinary extension of the rule that convenience of the forum is not limited to a choice of a United States forum. The decision below deprives a United States citizen of the right to seek relief in his own courts, and forces him to seek relief under Canadian law in Canadian Courts, despite the facts that the corporate Respondent had been doing millions of dollars of business within the New York jurisdiction for fifty years with a large organization so that the District Court had no difficulty in finding that it had *in personam* jurisdiction over this Respondent. This latter ruling was not questioned by Respondents in the Court of Appeals. This being the situation, *Interna-*

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[1] *Steele v. Bulova*, 344 U. S. 280, 286-287 (1952); see also *U. S. v. Scophony Corp.*, 333 U. S. 795 (1948); *U. S. v. National Lead*, 332 U. S. 319 (1947); *Strassheim v. Daily*, 221 U. S. 280, 284, 285, 31 S. Ct. 558, 55 L. Ed. 735; *Lamar v. U. S.*, 240 U. S. 60, 65, 66, 36 S. Ct. 255, 60 L. Ed. 526; *Ford v. U. S.*, 273 U. S. 593, 620, 621, 47 S. Ct. 531, 71 L. Ed. 793; Restatement of Conflict of Laws § 65.

tional Shoe v. Washington, 326 U. S. 310, would authorize suit in the New York District in respect of any matter growing out of such business done by Respondents therein. Petitioner's cause of action falls in that category.

The decision is also an attempt to extend this Court's holding in *Gulf Oil v. Gilbert,* 330 U. S. 501 (1946). This doctrine of convenience, which hitherto has been applied by this Court only to situations **where the action can be brought in another Court of the United States,** deemed more convenient, is now relied upon to force a United States citizen to try his case in Canada under Canadian Law, instead of in the United States under United States Law.

Accordingly, Respondents are now protected from suit in the United States. **The Petitioner loses its rights under United States Law, in favor of the sudden "inconvenience" of the Respondents, and is sent by United States Courts of Canada where it must give up its rights under the United States Laws to which it was entitled to as a United States citizen.**

The question is, do we do violence to the meaning of "convenience" or do we protect a United States litigant in his "right" under our law? This decision below is contrary to *Gulf v. Gilbert,* 330 U. S. 501 (1946) in that the District Court failed to consider the several factors spelled out by this Court in that case, where it was stated:

> "But unless the balance is strongly in favor of the defendant, the plaintiff's choice of forum should rarely be disturbed." (330 U. S. 501, 508.)

In the case at bar, there was no such showing of inconvenience over Petitioner's convenience (R. 534a-541a), and no finding as to the relevant factors by the District Court or the Court of Appeals. Certainly sending a litigant to a foreign country to secure his rights under foreign

law does not fall within "convenience." At the least, it should require most detailed findings respecting the factors mentioned by this Court in the *Gulf Oil* case.

CONCLUSION.

The conflict of the decision below with the decisions of this Court and the provisions of the Commerce Clause of the Constitution, the International Treaty or Convention dealing with industrial property and our Trade Mark Laws protecting our foreign trade show that there is a clear necessity for settlement of the issues by this Court.[1]

We seek so "to secure the national rights & uniformity of Judgmts." Here involved are the rights of an American manufacturer, who having complied with the provisions of the Treaty and the United States Laws, as well as the Canadian Trade Mark Law adopting the Treaty, desires to protect its trade-marked exports under its trade mark from interference by Canadians operating in this country for fifty years and in which the acts complained of were initiated and partially consummated. Petitioner further desires to obtain such protection through the courts of this Country which may be expected to give the fullest effect to the provisions of our Constitution, Treaty and Statutes here involved.

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[1] In 1949 Mr. Chief Justice Vinson noted:

"* * * The debates in the Constitutional Convention make clear that the purpose of the establishment of one supreme national tribunal was, in the words of John Rutledge of South Carolina, 'to secure the national rights & uniformity of Judgmts.' The function of the Supreme Court is, therefore, to resolve conflicts of opinion on federal questions that have arisen among lower courts, to pass upon questions of wide importance under the Constitution, laws and treaties of the United States, and to exercise supervisory power over lower Federal courts. * * *" (Address before American Bar Association, Sept. 7, 1949, St. Louis Daily Record (Sept. 8, 1949).)

These are important questions of statutory and treaty construction, which only this Court can settle. *Shapiro v. United States,* 335 U. S. 1, 4. The interpretation given by the Court below to the Federal Statute, the Lanham Act, and to the Treaty emasculates the entire protection of an American manufacturer exporting under his trade mark, guaranteed by the Treaty. This raises serious questions as to the scope of the Treaty and the validity of the Lanham Act, Sections 44 and 45, under our Constitution, so that review by this Court is appropriate. *United States v. Butler,* 297 U. S. 1.

The administration of these laws as to the export trade of the United States depends upon a correct decision. *United States v. Ruzicka,* 329 U. S. 287; *Rothensies v. Electric Battery Co.,* 329 U. S. 296.

These are novel and troublesome problems which will be involved in numerous cases in the future as our international trade grows. *United States v. Standard Oil Co.,* 332 U. S. 301, 302; *United States v. Powell,* 330 U. S. 238. The amount of money involved in the international trade of the United States, mainly under trade marks, amounts to many billions of dollars. *United States v. Zazove,* 334 U. S. 602, 613-614. Our most important manufacturers and their industries depend upon international trade under their trade marks. The widespread effect of the decision below will affect many thousands of people depending upon such industries. *Patterson v. Lamb,* 329 U. S. 539.

For the foregoing reasons, we urge this Petition for a Writ of Certiorari be granted.

Respectfully,

HARRY A. TOULMIN, JR.,

Counsel for Petitioner.

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JUL 23 1956
JOHN T. FEY, Clerk

In the Supreme Court of the United States

OCTOBER TERM, 1956.

No. 275

VANITY FAIR MILLS, INC.,
Petitioner,

v.

THE T. EATON CO. LIMITED,
Respondent.

APPENDIX TO PETITION FOR WRIT OF CERTIORARI To the United States Court of Appeals For the Second Circuit.

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